show profits. The very small shops and plants were in some cases taken back by their former owners when they had survived and any provisions about the use of hired labor were tacitly forgotten in the first flush of the New Economic Policy.

All of these measures were interpreted by the great mass of the Ukrainian people as a recognition of the validity of human experience. There were, of course, keen realists who gave full credence to the declarations of Lenin that the Soviets had never wavered in their objections and were using these concessions only as a means of reviving the life of the country and strengthening their own position. At first this did not seem to be true and it was only as conditions really settled down and a semblance of prosperity returned that it became possible to note the steadily increasing pressure which the government exerted.

In the same way the currency reforms were not without their own influence. In 1923 the government introduced a new currency, the chervonets, which was ostensibly based on a gold standard, to take the place of the old depreciated paper. Nevertheless, the latter was allowed to circulate in the rural districts with the result that its value continued to fall and it became more and more difficult for the peasants to satisfy their needs for manufactured goods which were priced in the new currency. This produced the so-called "scissors," for with the restoration of industry, the value of manufactures continued to rise, while the prices of agricultural products continually fell.

The political system was still not clear.[1] The new regulations were introduced in the Council of Commissars in Moscow and it was emphatically stated that they were for the Russian Soviet Federated Socialist Republic, but Ukraine and also the other Soviet Republics put into practice the same resolutions, often without any decree by the ostensibly independent government.

The key to this enigma lay in the nature of Communist discipline. In theory and on paper the Soviet regime was thoroughly democratic in the broad sense of the word. There was an elaborate scheme of elections to the village and the higher Soviets, and even though this was weighted very heavily to provide increased repre-

[1] [During NEW ECONOMIC POLICY -- Analyst]

payment of a specific amount of tax in kind and left to the peasant the rest of his crop. In an endeavor to get this grain into Russia, the government offered to buy it but it did not have the funds or the inclination to pay for it at the market price. The financial reforms connected with the introduction of the chervonets could, to a certain degree, make it expedient for the peasant to sell to the government for cash, and as time went on the peasant gained the power of selling his crop for cash but the Moscow control of transportation and the prohibition of large scale trading left him helpless and he saw himself forced to dispose of it locally or to the government. Then the government made a fixed price which was far below that of the free market, and was often scarcely a third of the amount that the peasant could have secured. This sale of large quantities of agricultural products at a fixed price gradually became the rule and was one of the signs that the period of toleration for private income was coming to an end.

In 1925, the government began to clamp down on the small traders, the Nepmen, who had profited by the opportunities which they had had. Again it had a large choice of measures. Thus, depending on the situation, it could invoke laws against the hiring of labor; it could order the state agencies to refuse to buy from or sell to an obnoxious individual and thus isolate him; it could suspend his ration cards and perquisites, take away his right of voting and thus make him a pariah in the community; it could levy prohibitive taxes which would put him out of business and confiscate his property; or it could find some violation of some other law or regulation and imprison or exile him.

The degree of pressure which was put upon the peasants and the workers varied from year to year. Each year Ukraine was compelled to export more to Russia without regard to the needs of the local population. Thus, the amount of grain rose from 1,050,000 tons in 1924-5 to 3,165,000 tons in 1926-7, when there was a bumper crop, but in 1927-8, when the harvest partially failed and there were signs of need in the country, the amount collected and exported rose to 4,353,000 tons. At the same time, the continually increasing demands aroused again a spirit of oppo-

Ukraine Under the Soviets

656 471 661 [427] had profited by the operation of the Ukrainian land code which, as we have seen, was less rigid than were the similar arrangements in the RSFSR, where the land society was organized far more on the lines of a collective than it was in Ukraine. It was always possible to apply individually any of the laws against the leasing of land or the employment of hired help, for in both cases the provisions had been left vague and indefinite, so that the authorities could act whenever they so desired. As a matter of fact, as one of the first measures the administration of the Ukrainian Soviet Republic reduced the period on which a lease could be made from thirteen to six years and thus it was easily possible to upset many of the calculations that had been made by the richer and more progressive landowners.

● [435] At the same time the closing of the official markets rendered it possible for the government to force the peasants to dispose of their grain at the officially pegged prices which in the grain-growing districts were considerably lower than they were in the less fertile areas of the north. If this did not produce the desired results, it was equally possible to demand the grain tax in kind and to compel the peasants to turn over, free of charge and under the guise of payments, additional supplies. All these measures, which were introduced in many cases personally and not by districts, caused the peasants to feel themselves becoming steadily more impoverished and less able to resist the demands of the government.

631 642 On the other hand, the All-Union Commissariats which took precedence over those in the individual Soviet republics and which were, in reality, staffed only by Russian Communists, effectively broke the power of the localities or of the republics to have any special voice in the management of their own affairs.[1] This was, in its turn, skilfully explained by stressing the superior requirements of the Union which, on any closer analysis, turned out to be the interests of the Russian area. Thus, at the XVth Congress of the All-Union Communist Party (Bolsheviks), a Russian who was at the time the chief of the Ukrainian State Planning Commission remarked in an unambiguous manner: "It seems to me that we must assign perfectly clear tasks, to emphasize that the national

[1] [1925, during relinquishment of NEP -- Analyst]

73/ backs, waiting for a freight train. Agents of the NKVD held them
66/ up and took away their grain. They begged together and singly and prayed but it did not help. Then one peasant climbed out on a high tree near the station and began to cry out about all the horrors of the famine in Ukraine. He cursed the party, the government, its leaders and the NKVD. A crowd quickly gathered and soon came the agents of the NKVD who began to harangue the hearers and urged the "orator" to come down quickly, threatening him with life imprisonment. He was immovable; then the NKVD called for the local fire department who were told to turn their hoses on the tree. The peasant climbed higher and then suddenly threw himself down like a stone."

In the spring of 1933 the starving masses with their gray faces moved into the large cities. They formed lines for the "buying of bread"* or, begging, they surrounded the mills. They died by thousands in the streets of Kharkiv, Kiev, Dnipropetrovsk, and the other cities. In many cases the police cars simply picked up the dead and dying every morning and carried them out of the city where they were thrown into pits. There were established in the cities and their environs "therapeutic hospitals" near which were vans covered with tarpaulins. These were used to collect the sufferers and the hospitals were simply places to separate the dead and the dying.

The children suffered terribly and thousands were picked up on the streets. Parents often abandoned their children, usually near police stations, in the hope that they would be picked up and taken to refugee camps but here they were little better off. Prof. M. M. testified that near Kharkiv the "NKVD opened a large children's concentration camp, the 'Barracks of death' as it was

[435]

* In the beginning of 1933 at the height of the famine in Ukraine, the USSR opened shops in the cities where grain was sold at a doubled price, i.e. commercial prices—4 karb. for 1 kg. of white and 3 karb. for 1 kg. of black bread. The peasant received from the government for the obligatory "sale" of grain 90 kop. for 16 kg. of wheat. These commercial prices had to be paid for in foreign currency or in gold or silver.

241 lected for the tax in kind. This was a negligible sum and the
651 average member rarely received more than one ruble per labor
474 day. This sum was, of course, insufficient to provide for the
465 goods which the family needed to purchase, and since their share
[511] of the grain was rarely sufficient to feed them, their situation became hopeless, while of other products the individual received about one litre of oil, fifty kilograms of potatoes, thirty-five kilograms of fruit, and five-tenths kilograms of meat and fat.

[435] The real significance of these figures is shown in the prices that were charged in the state stores.[1] There a kilogram of bread cost ninety kopecks, ten eggs brought eight rubles, a kilogram of beef twenty-four rubles, and a pair of boots four hundred and fifty rubles, while a farmer's suit of clothes cost five hundred rubles.

[422] It made the peasant really dependent upon his individual plot of land if he was to secure any necessities.[1] This was far too small and its use was bound with many restrictions. Thus, no family was allowed to hold more than one cow and two calves, one sow, up to ten goats, an undefined number of chickens and up to twenty beehives. In the beginning it was possible for the peasant to secure a certain amount of food for these animals from the common store. He was allowed to retain the manure and it was thus possible for him to improve his own individual plot and thus to secure larger returns. It was a liberal application of such principles that had rendered possible the general improvement which was noticeable during the years 1934-6, when the government was endeavoring to make the system of collective farms workable.

It can be easily seen that the system of allowing individual incomes was based on a principle opposite that of the New Economic Policy, for it would require scarcely a legislative enactment to reduce these amounts while the New Economic Policy presented a norm of profit to the workers. Yet with each year, once the government was convinced of its success, it found it possible in various ways to tap this new source of income for its own purposes.

The favorite method was by taxation. Thus, by 1939 if we should assume that the average family received in cash four hun-

1 [Ukraine - after 1933 famine -- Analyst]

731 262 [443] 265 Most of the UNRRA food supplies delivered to the Ukraine are distributed to ration stores for sale to workers and their dependants. A large proportion (about 35 per cent.) also goes for communal feeding through dining rooms, health resorts, homes for invalids and the aged, and dining halls of trade schools. Hospitals, childrens' homes, maternity homes, and the like also receive a share (around 10 per cent.) (The food distributed to welfare organizations is delivered free of charge).

731 262 434 Apart from the food which UNRRA supplies, the Ukrainian people are dependent on whatever amounts of local produce may appear on various markets. According to the rationing system, the farmers are allowed to retain part of their produce to feed themselves and their dependants, and the farm's livestock; the state then purchases a certain quota for use in feeding the non-farm population. If any surplus then remains, the farmers may keep it, or sell it on the free market at uncontrolled prices.

241 433 434 In practice, however, because of the extremely poor harvests in the last two years, Ukrainian farmers have scarcely been able to feed even themselves; and the amounts of domestically produced food which reach the ration stores or the free market have consequently been small.

The following section describes the sources of food supply open to the urban consumers.

The System of Food Distribution

443 434 In the cities of the Ukraine there are three outlets through which foodstuffs reach the population:

364 262 (a) the ration stores, where the bulk of foodstuffs are sold at fixed prices to ration-coupon holders;

(b) the so-called gastronoms (commercial stores) where scarce, luxury items are sold; and

(c) the public markets, where collective farmers and peasants bring their surplus produce for sale.

Most of the rural areas and villages of the Ukraine are expected to produce locally enough food to feed the inhabitants; and as they are nearly all considered to be self-supplying, they receive through the central distribution system only sugar and sometimes bread. Their surplus farm produce (that is, food in excess of that needed for feeding people or livestock on the farm and not subject to collection or purchase by the state) is usually brought by the farmers to the public markets for sale to the urban population. [435] The quantities of produce and the variety of items available in the free public markets vary greatly from season to season and from day to day; prices are equally unstable.

Gastronoms

443 In addition to the ration stores, Kiev has about five gastronoms,
434 or commercial stores, where unrationed goods are for sale. Most
262 of the gastronoms are stocked almost entirely with delicacies, such
554 as Siberian crabmeat, live carp in water tanks, a little fresh meat,
461 salami, candy, biscuits, and Russian cigarettes. (No UNRRA goods are sold in such stores). Until September 1946 the prices in gastronoms were so high that only a relatively small part of the population could afford to buy. The gastronoms were patronized primarily by those with high earnings - professors, theatrical stars, scientists, artists, high ranking army officers, skilled technicians, etc. One of their main purposes was to show the average worker that some luxuries did exist, and thus encourage him to raise his skills and productivity. Another purpose was to provide a special reward for various kinds of meritorious service. For example, war heroes and top generals were entitled to a 40 per cent discount on all purchases made at a gastronom. Moreover, workers who had stayed at the same factory for six years or more were entitled to a 20 per cent discount, and office workers with similar service to 10 per cent.

[435] In September 1946, in accordance with the decision of the Council of Ministers of the U.S.S.R. to abolish differences between the higher "commercial" prices and the low prices of rationed goods, the prices in gastronoms were lowered and certain ration prices, raised somewhat.

[465] At the same time, taking into account the difficulties which average and low-paid workers would encounter as a result of higher ration prices, the Council of Ministers decided to increase all salaries of less than 900 roubles a month. Thus, those workers who previously had earned up to 300 roubles a month received an increase of 110 roubles; those who had earned up to 500 roubles, another 80. Similar increases were allowed in pensions and in students' stipends.

So far as UNRRA food is concerned, the increases in ration prices have affected meat, fish, fats and oils, other categories of UNRRA food supplies particularly milk, cheese, and army rations were not affected.

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435 The following table shows the increases in ration store prices.

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TABLE XXVII

Ukraine: Prices of Rationed Food
(in roubles per kilogram)

	Before October 1, 1946	After October 1, 1946	Percentage increase
Bread (black with rye)	0.9	3.2	255
Bread (whole wheat)	1.8	6.0	240
Meat tushonka	16.6	32.0	87
Pork in gravy	20.5	35.3	72
Meat and vegetables	10.0	15.3	53
Pork and rice	15.7	30.7	90
Meat and corn	10.0	17.7	77
Herrings in tomato sauce	11.5	25.0	117
Herrings in natural oil	17.2	37.5	118
Smoked cod	9.8	18.0	84
Lard	18.0	36.0	100

Source: UNRRA Mission to the Ukraine, Kiev.

Public Markets

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The third kind of outlet for the distribution of food to the urban population is the public markets (officially called "Collective Farm Markets"). Their importance as a source of supplementary food is difficult generally to assess. On the one hand, extremely high prices plus the inconstancy or inadequacy of supplies prevent any group in the population from depending on the public markets for any substantial part of its diet; on the other hand, the variety of food sometimes available impels many to supplement the limited amounts and kinds of foods secured at the ration stores by purchases in the public markets. While prices are fixed and rigidly controlled in the ration stores, there is no control of prices whatever in the public markets, and the seller and purchaser usually agree on the price after a rather elaborate process of bargaining. On account of the limitations in supply, the selling prices are usually dear.

There are striking differences between the fixed, ration store prices and the uncontrolled market place prices. For example, in July 1946 (before ration prices were raised) white bread which - depending on the extraction rate of flour - was selling in ration stores at 90 kopecks[1] to 2.7 roubles a kilogram was selling in the public markets at 28.5 to

1 There are 160 kopecks to a rouble

443 41.6 roubles a kilogram. Butter, which was almost never available,
435 in the ration stores at 24 roubles a kilogram, and in the public
262 markets, at 150. The price of sugar in the public markets was, on July 10, four to five times the ration store price.

443 In addition to these products for which there are comparable prices
262 in the ration stores, the public markets also offered certain foodstuffs
433 which were seldom or never available in the ration stores. In the public markets of Kiev dressed beef was selling for 70 roubles a kilogram on June 3, 1946, and 60 roubles on July 6; milk, which on June 3 brought 15 roubles a litre was selling for 12 to 14 roubles on July 6. The fall in the price of tomatoes illustrates the play of demand and supply; when the first fresh tomatoes arrived on the public markets, they brought 15 roubles for each small tomato; by the end of July the price had fallen to 3.5 or 4 roubles for large size tomatoes of the best quality. Similar price reductions occurred in other vegetables and fruits; in each case, however, prices were still extremely high; even when the crops had been harvested, the demand remained far greater than the supply.

The extent of the shortages may be gathered from a report by the UNRRA Mission in June 1946, when a tour of Kiev's two great public markets revealed only one pound of meat, several fowls, small quantities of milk and butter from nearby farms, fifteen small sausages being sold from one can, and a few miscellaneous titbits such as matches, cigarettes, and candy from a ten-in-one ration.

Present supplies are even more attenuated. Ration scales have been cut, and this naturally increases the demand for supplies in the public markets. As the demand grows and supplies dwindle, prices rise even higher. The next table compares free market prices in June 1946, July 1946, and January 1947.

TABLE XXVIII

Ukraine: Food Prices in a Typical Public Market
(in roubles)

		June 1946	July 1946	January 1947
Bread, kilo		22.5	23.0	50.0 - 55.0
Meat	"	about 60.0	70 - 100	60.0
Fish	"	-	-	65.0
Milk, litre		16.0	15.0	16.0
Butter, kilo		190.0	190.0	230.0
Eggs, dozen		42.0	48.0	-
Cereals (various)	kilo	-	50.0	-
Sugar		-	100.0	-
Vegetable oil		-	200.0	200.0

- Very little or none on sale. Supplies vary greatly but are never very large.

Source: UNRRA Mission to the Ukraine, Kiev.

UNRRA Supplies and the Food Situation

Until the produce from local farms became available in the spring and summer of 1946, the diet of the urban population of the Ukraine depended principally, apart from bread, on UNRRA food supplies, which in the beginning consisted almost entirely of U.S. army rations, plus some dried and evaporated milk and tushonka. Urgently needed fats and oils were slow in arriving; up to May only 8,596 tons had been received in the Ukraine. The shortage was critical, since domestic production was providing a rate of only 4 to 5 kilograms of fats a year per person, as compared with 12.8 in 1940 and 22 kilograms in 1929.

Very little food was being received from other parts of the Soviet Union, and a protracted dry spell was threatening the 1946 harvest. Official rations for almost all categories of consumers were low;